

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, NOVEMBER 20, 2012

The meeting of the State Properties Committee was called to order at 10:15 a.m. by Chairman Ronald N. Renaud. Attendance of the members was taken by roll call and the following members made their presence known: Robert K. Griffith representing the Rhode Island Department of Administration; Richard Woolley and Susan Urso representing the Rhode Island Department of Attorney General; Michael Goldberg representing the Rhode Island Office of the General Treasurer, Ex-Officio Member. Others in attendance were Anthony Robinson from the State of Rhode Island General Assembly; Michelle Sheehan and Lisa Primiano from the Rhode Island Department of Environmental Management; Louis J. Saccoccio and J. Vernon Wyman from the University of Rhode Island; Colleen Kerr from the Rhode Island Department of Transportation.

Chairman Renaud stated for the record that the State Properties Committee did have a quorum present.

ITEM A – Department of Environmental Management – A request was made for approval of and signatures on a License Agreement, by and between the Department of Environmental Management and Matthew T. Buckley to allow the Licensee to maintain a portion of DEM controlled property located on Hazard Mill Road (Hazard Mill Pond) in the Town of West Greenwich. Ms. Sheehan explained that this License Agreement will allow the previous owner of the property to assist the Department in maintaining access to the dam and to

prevent any obstruction of the dam. Ms. Sheehan noted the Department recently purchased the subject property on October 18, 2012. The previous owner has maintained access to this low-hazard dam for the past twenty (20) years and this License Agreement will allow him to continue to do so. A motion to approve was made by Mr. Griffith and seconded by Ms. Urso.

Passed Unanimously

ITEM B – Department of Environmental Management – A request was made for approval of and signatures on an Easement Agreement, by and between the Department of Environmental Management and The Narragansett Electric Company (the “NEC”) over land located on Arcadia Road in the Town of Exeter. Ms. Primiano explained that the Department wishes to install two (2) Clivus Multrum composting toilets at Browning Mill Pond and needs electrical service for said units; therefore, the Department is requesting approval to grant NEC the required easement to install the electrical system. A motion to approve was made by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM C – Department of Environmental Management – A request was made for approval of and signatures on a Quitclaim Deed, by and between the Department of Environmental Management and City of Central Falls for the sale 40,968 square feet of land located at 1420 Broad Street in the City of Central Falls. Ms. Primiano stated that the Purchase and Sale Contract for this property was previously approved by the State Properties Committee on October 9, 2012. Ms. Primiano stated that the property consists of slightly less than one (1)

acre of land located on the banks of the Blackstone River in the City of Central Falls. Ms. Primiano indicated that the State's budget includes funds dedicated to the Friends of the Blackstone River. The Friends of the Blackstone River has various economic development projects planned for the property located along the river. Ms. Primiano explained that the Department and the property's original owner, SOJO Realty, are scheduled to close on the subject property in the very near future and at that time, the Department will transfer title to said property to the City of Central Falls. The City of Central Falls is preparing a Request for Proposals ("RFP") to solicit bids for the development of the building located on this site. The City will also maintain access to the property for the public's use of said property. Ms. Primiano explained that as there is a Department of Transportation ("DOT") enhancement grant associated with this property, said funds will be utilized for the construction of a parking lot which will remain in public ownership. Ms. Primiano clarified that only the building and a small footprint around the building will be sold to the chosen developer; however, the parking lot will remain under the City's control due to the federal funds involved. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM D – Department of Environmental Management – A request for approval of and signatures on an Indenture of Lease, by and between the Department of Environmental Management and Jes Santos for the caretaker's residence located at Perryville Fish Hatchery in the Town of South Kingstown (Wakefield). (Terri Bisson to attend) Item D is

deferred to the December 4, 2012 meeting of the State Properties Committee at the request of the Department of Environmental Management.

ITEM E – Board of Governors/University of Rhode Island – A request was made for approval of and signatures on a First Amendment to Lease, by and between Independence Square Foundation and the Board of Governors for Higher Education/University of Rhode Island to add ‘Suite L’ to the existing space leased for the Kinesiology Department located in Independence Square III in the Town of Kingston. Mr. Saccoccio stated that due to the addition of a new faculty member additional space is required within the Kinesiology Department. This additional space consists of approximately 512 square feet and will be part of the existing Lease Agreement with Independence Square Foundation. Mr. Wyman noted that is simply a modest increase to the 16, 387 square feet of space already occupied by the University. Mr. Wyman explained that the original commitment involves some capitol lease aspects, due to the financing of funds necessary to construct the Kinesiology Department addition. In deference to that fact, Independence Square Foundation favors the use of this building and has agreed to defer the capitol lease aspects that would customarily be associated with the addition of 512 square feet of space. Mr. Wyman indicated that the \$8,100.00 per year the University will pay is strictly for operating costs associated with this additional space. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM F – Board of Governors/University of Rhode Island – A request was made for approval of and signatures on a one-year extension of the Lease Agreement, by and between Independence Square Foundation and the University of Rhode Island for space located within the Independence Square II building, which houses the University’s Physical Therapy Program. Mr. Saccoccio indicated that the Physical Therapy Program was the first program to lease space within an Independence Square Building. Mr. Saccoccio indicated that this long-term Lease Agreement is due to expire at the end of this year. Mr. Saccoccio stated that in accordance with RIGL 37-6-2(d), as amended, the University is required to obtain approval from both the State Properties Committee and the General Assembly in order to extend the Lease for an additional ten (10) year term. Mr. Saccoccio indicated that because the University is unable to obtain the required approvals prior to the expiration of the Lease, he respectfully requests approval of a one-year extension to avoid expiration of said Lease. Mr. Saccoccio indicated that the University would return to the Committee by the spring of 2013, seeking approval of a long-term extension of the Lease Agreement and subject to the Committee’s approval, the request would then be forwarded to the General Assembly for approval. Mr. Saccoccio noted that through Mr. Woolley’s diligence, it was discovered that the indemnification clause contained in the original Lease Agreement does not protect the interests of the University. Mr. Saccoccio assured the Committee that all University documents were revised many years ago to include the appropriate indemnification language. However, as to this

Agreement, the University is asking that approval be granted, subject to a revision of the indemnification clause to include the appropriate language. Mr. Saccoccio noted that the Independence Square Foundation is aware of the necessary revision and has agreed to the same. A motion was made to approve by Mr. Woolley, subject to a revision of the indemnification clause to include language to ensure the best interests of the University is protected. Said motion was seconded by Mr. Griffith.

Passed Unanimously

ITEM G – Board of Governors/University of Rhode Island – A request was made for approval of and signatures on a Real Estate Purchase and Sale Agreement, by and between Board of Governors for Higher Education/University of Rhode Island and the Kingston Water District.

Mr. Saccoccio indicated that a number of years ago the University and the neighboring towns of North Kingstown and Narragansett were involved in what was referred to as the West Kingstown Superfund Site. Mr. Saccoccio stated that the University has worked with the Department of Environmental Management and the Environmental Protection Agency to resolve any issues relating to said project. Further, Mr. Saccoccio explained that for many years the University has owned a well located in the Fairgrounds area of West Kingston. As part of the West Kingston Superfund Site settlement, the University enter into a Consent Order, which would ultimately transfer title of the aforementioned well to the Kingston Water District as a result of natural resource damage which may have adversely impacted the water supply in that area. The parties

initially entered into a Lease and Conditional Sales Agreement, which included certain milestones that had to be accomplished to ensure the well would be a quality, productive water supply for the local water district. Mr. Saccoccio noted that complications arose throughout the transfer process that required an extension of the Lease. The Kingston Water District, the Department of Health (the "DOH") and various local property owners worked together to modify certain easements to allow the Kingston Water District access to the well site. Mr. Saccoccio indicated that the total purchase price of the well is \$120,000.00. Upon obtaining title to the well, the Kingston Water District will pay compensation to the University in the amount of \$30,000.00. The remaining balance of \$90,000.00 shall be paid over the next two (2) years. The University is working with the Kingston Water District to facilitate the development of a much needed water supply source in the area. Mr. Wyman stated that this is a rather large investment for the Kingston Water District and there are two remaining issues to be managed. Mr. Wyman explained that as the subject parcel of land is slightly less than one (1) acre, additional land will have to be acquired to provide for the 400' setback required for well sites. Further, the well will need to be redeveloped in terms of updated equipment. Mr. Wyman indicated that the Kingston Water District believes it will be in a stronger position to negotiate with both the DOH and the adjacent property owner if it holds title to well site. Mr. Wyman stated that all tests and studies conducted by Kingston Water District have indicated that the appropriate water quality and quantity are present. Further, Mr. Wyman noted that this transaction

does speak to the language of the University's supplemental/environmental settlement with the DEM and EPA with the transfer of the well site being its key element. However, Mr. Wyman stated that the main objective is to bring a much needed well into service as a public water supply and all parties have remained committed to this goal. Mr. Griffith asked if the Water Resources Board (the "WRB") is involved in this transaction. Mr. Wyman indicated that the WRB could become involved at the end of the process in terms of evaluating the transaction nearer to its closure. Mr. Wyman noted that the key players at the outset are DOH and DEM, to some degree, as they now are responsible for examining water withdrawal as it relates to the overall health of the aquifers in surface water bodies. The DEM favors this plan because it shifts withdrawal water from Kingston to West Kingston, an area that does not have any significant water withdrawals at the present time. Mr. Griffith recommended that the University, as a courtesy, contact the WRB to first make it aware that the transaction exists and further to explain its current status. A motion was made to approve by Mr. Woolley, subject to the University contacting the

WRB regarding the transfer of this well site. Said motion was seconded by Mr. Griffith.

Passed Unanimously

ITEM H – Board of Governors/University of Rhode Island – A request was made for approval of and signatures on a Quitclaim Deed for the purchase of property located at 92 Bruce Boyer Street in the Town of

North Kingstown. Mr. Saccoccio explained that the subject property is situated at the entrance of Allen Harbor and was previously before the State Properties Committee for conceptual approval to acquire the same. At this time, the University is seeking final approval to acquire title to the property. There is no monetary compensation associated with said conveyance. The University will utilize the facility for educational purposes only and therefore, in accordance with federal regulations, a public benefit allowance has entirely offset the fair market value of the property. Mr. Saccoccio stated that the Quitclaim Deed contains some significant restrictions and covenants which stipulate that the University must maintain the property for educational purposes/use for a minimum of thirty (30) years until before said restriction is satisfied. Mr. Saccoccio stated that as the Committee is aware, there are significant environmental issues associated with the Quonset Point area and several superfund sites have been established throughout the area. Relative to this conveyance of land, the federal government assumes responsibility for any and all pre-existing environmental issues and hazardous materials associated with the property; however, the University is charged with the burden of demonstrating that said condition existed prior to the title being transferred to the University. Further, the University will be responsible for any lead based paint issues, asbestos presence and removal together with the responsibility of reporting any significant archaeological findings, if any, to the appropriate agencies. Mr. Saccoccio stated that the two existing structures situated on the property include an old 100' x 40' Quonset

hut that is used for storage purposes and an office trailer that accommodates approximately fifteen (15) students for classroom work. Mr. Saccoccio noted that both the University's Ocean Engineering Program and its Graduate School of Oceanography have actually been using this land for the past two (2) decades through a Lease Agreement with the federal government. A portion of the property is also used for dockage of the University's boats, student training and various educational purposes. Mr. Saccoccio indicated that the faculty is very familiar with this site and enthusiastically supports the University's decision to accept the federal government's offer to convey the site as surplus property. Mr. Griffith asked who will be responsible to maintain the site. Mr. Wyman stated that the University will maintain the property. The site does not require a great deal of maintenance and primarily involves keeping the docks safe and in good operating condition. Mr. Wyman stated that only a modest annual investment is necessary to support utility expenses and to maintain the site. Mr. Wyman indicated that the University has thoroughly examined the property and commissioned an industrial hygienist to inspect the Quonset hut building for the presence of asbestos and/or lead paint. The hygienist found only latex paint and concluded that the presence of lead paint, if any, would be found in very isolated locations within the structure, which could be readily abated. The hygienist's observation was that the site was not asbestos containing. Mr. Wyman stated that the University has done its due diligence and in fact many of its staff members were involved in the studies that dealt with contaminants at the Quonset/Davisville

site. Mr. Wyman noted that the subject property was one of the first filled at the time the Allen Harbor was being created as a harbor so that archeological findings are virtually unachievable within the 1.6 acres of land. The University also examined EPA's records and discovered that relative to this site there are no signs of contamination. Mr. Wyman explained that aside from the property's waterfront access, its greatest value is the dock facility. He noted that the University would be expending considerably greater sums of money to dock its mid-sized boats if it were dependent upon other local facilities. Mr. Wyman indicated that the University has enjoyed access to the dock for a nominal fee throughout the course of the Lease and said access will continue after title of the property is transferred to the University. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM I – Department of Transportation – A request was made for authorization to acquire partial acquisitions and easements for the Improvements to Division Road Project from Route 2 westerly to New England Tech Boulevard in the Towns of East Greenwich and West Warwick. Ms. Kerr explained that the Department is preparing to construct a roadway and effect traffic improvements in this area. She indicated that seven (7) parcels will be affected by this project; however, as the work being done is mutually beneficial, the property owners and municipalities have agreed to donate any necessary leases, easements or partial acquisitions of land. Ms. Kerr respectfully requested approval, by virtue of Condemnation Plat 2729,

to proceed with negotiations, the recording of Condemnation Plat 2729 together with any descriptions. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM J – Department of Administration – A request was made for approval of and signatures on a short-term License Agreement, by and between the Department of Administration and FEMA for use of the Cranston Street Amory as a joint field office together with the State of Rhode Island Emergency Management Agency. Mr. Schiappa stated that recently FEMA approached the Division of Facilities Management for permission to access the Cranston Street Armory for purposes of setting up a field office in order to provide disaster relief to the State of Rhode Island, its residents and municipalities affected by Hurricane Sandy. Due to the nature of this request and FEMA's immediate need for available space, FEMA was allowed access to the Cranston Street Armory facility and is presently occupying the drill hall area. Subsequently, a License Agreement was prepared and executed by the parties. Mr. Schiappa thanked both Mike Mitchell of the Department of Administration's Legal Services and Holly Rhodes of the State Properties Committee for their efforts, which made it possible for this request to be presented today, despite the lack of sufficient prior notice. Ms. Zawada thanked the State of Rhode Island for its willingness to accommodate FEMA on such short notice. Ms. Zawada explained that a lease for use of space within a commercial property fell through at the eleventh hour, just prior to a holiday weekend, leaving FEMA with no place to go. Further, she indicated

that FEMA has secured alternative suitable space and entered into a commercial lease agreement. Ms. Zawada stated that FEMA's staff will vacate the Armory building tomorrow morning and its property will be removed at or before the end of next week. Chairman Renaud commented that this is certainly not the conventional manner in which the State enters into agreements for use of its property; however, due to Super Storm Sandy, her effects on the State of Rhode Island together with much of the eastern seaboard and the unfortunate adversity incurred by FEMA, he believes that extraordinary circumstances warrant unconventional and special consideration. It is Chairman Renaud's understanding that FEMA mobilized more than 150 employees to assist the State of Rhode Island and its residents before, during and after Hurricane Sandy. Mr. Mitchell agreed that this was certainly an emergency situation and indicated that FEMA has been very cooperative throughout this process. In fact, FEMA provided the form License Agreement which was revised to the satisfaction of both parties and is now before the Committee. Mr. Mitchell stated that although the License Agreement is not due to expire until December 1, 2012, as represented by Ms. Zawada, FEMA's staff will vacate the premises as early as tomorrow and its property and equipment will be removed over the next week. Chairman Renaud also thanked both Mike Mitchell and Holly Rhodes for their efforts. A motion to approve was made by Mr. Griffith and seconded by Mr. Woolley.

ITEM K – Department of Administration – An open discussion regarding the State Properties Committee's forms, policies and

procedures. Item K is deferred to the December 4, 2012 meeting of the State Properties Committee at the request of the Department of Administration.

The Committee may move to go into Executive Session, pursuant to Rhode Island General Law 42-46-5(a)(5) for the specific purpose of discussion or consideration related to the acquisition or lease of real property for public purpose, or of the disposition of publicly held property wherein advanced public information would be detrimental to the interest of the public relating to the following items:

A motion to enter into Executive Session was made by Mr. Griffith and seconded by Mr. Woolley.

A roll call vote was taken and the votes were as follows: "Aye," Mr. Griffith voted "Aye", Ms. Urso voted "Aye" and Mr. Woolley voted "Aye."

After a detailed discussion relating to Executive Session Items E1 and E2 concluded, a motion to return to the open session of the State Properties Committee meeting and to seal the Executive Session minutes, until such time as said matters are resolved, was made by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

Upon returning to open session at 10:53 a.m., the Committee proceeded to vote

relative to Items E1 and E2 presented in Executive Session.

ITEM E1 – Department of Transportation – A request was made for authorization to acquire two (2) parcels of land consisting of two (2) permanent aerial easements and one (1) permanent easement in conjunction with the Replacement of the Natick Bridge No. 383 by virtue of Condemnation Plat 2741A in the City of Warwick and the Town of West Warwick. After discussion in Executive Session, a motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM E2 – Department of Transportation – A request was made for authorization to acquire sixteen (16) temporary easements for the completion of the Replacement of Pawtucket Bridge No. 550 located in the City of Pawtucket by virtue of Condemnation

Plat 2716A. After discussion in Executive Session, a motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

There being no further business to come before the State Properties Committee, the meeting was adjourned at 10:54 a.m. The motion to adjourn was made by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

Holly H. Rhodes, Executive Secretary